

## Article - Public Utilities

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§6–301.

(a) In this subtitle the following words have the meanings indicated.

(b) “Acquiring entity” means:

(1) a water company or a sewage company that is acquiring a selling utility as the result of a voluntary arm’s length transaction between the buyer and seller; or

(2) another person that:

(i) is acquiring a selling utility as the result of a voluntary arm’s length transaction between the buyer and seller; and

(ii) has applied to the Commission, directly or through an affiliate, for authority to operate as a public service company in the State.

(c) “Affiliate” has the meaning stated in § 7–501 of this article.

(d) “Construction allowance” means an accounting practice that recognizes the capital costs, including debt and equity funds that are used to finance the construction costs of an improvement to a selling utility’s assets by an acquiring entity.

(e) “Fair market value” means the average of the two utility valuation expert appraisals conducted under § 6–304 of this subtitle.

(f) “Selling utility” means a water company or a sewage disposal company or any other water service or sewage disposal service provider in the State, including any State, county, or municipal water service provider or sewage disposal service provider that is being purchased by an acquiring entity as the result of a voluntary arm’s length transaction between the buyer and seller.

(g) “Utility valuation expert” or “expert” means a person hired by an acquiring public utility and selling utility for the purpose of conducting an economic valuation of the selling utility to determine its fair market value.

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